



The Local Wave

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Did You Know?

48% of sales people never follow up with a prospect.

25% of sales people make a second contact and stop.

12% of sales people only make three contacts and stop.

Only 10% of sales people make more than three contacts.

2% of sales are made on the first contact.

3% of sales are made on the second contact.

5% of sales are made on the third contact.

10% of sales are made on the fourth contact.

80% of sales are made on the fifth to twelfth contact.

7 WAYS TO SAY: "HOW'S THE MARKET?"

Written by Joseph Ferrara, Inman News

Every real estate agent is asked again and again, to give an opinion on the market. And too often that answer is in the form of a one-word answer.

That's a mistake. There is a better way to answer this question. In fact, there are seven better ways. These take your opinion, which most consumers will discount, out of the equation.

It is best to calculate all of the following indicators and use your local market statistics. Ignore national averages because they are less reliable. Compare ratios over periods of time and calculate these ratios for different property types (single-family homes, condos, co-ops, new construction) and price points (high-end vs starter homes).

The suggested real estate market indicators:

1. House Price To Rent Price (price-rent) Ratio:

It's a simple ratio: house price divided by estimated annual rent cost.

The average national ratio for the 20 years before the bubble burst was 15. During 2005 - 2007 it was over 20. You should compare the current price-rent ratio in your market against pre-housing boom ratios and historical averages.

Arnold Kling, of the Library of Economics and Liberty, uses the Rule of 300, which states, "If the house price is less than 300 times the monthly rent on an equivalent house, it is OK to buy."

2. Unsold Housing Inventory

Generally speaking, a stable, balanced real estate market has about six months' supply of homes on the market and homes stay on the market for about 90 days. More than six

continued on next page

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months of supply can indicate a buyer's market and a lesser supply can indicate a seller's market.

Buyers are in a better negotiating position when the market's unsold inventory level is high. Ignore the national averages and look to your local market's unsold inventory. Compare unsold inventory levels for the same period in prior years.

Remember to consider different property types and price points. Luxury housing may not move in the same direction as starter homes.

3. Quarterly Price Declines

History says that smaller and smaller price drops over a quarter indicate a market close to stabilizing. When you notice stable prices in your market (no price drops over a quarter or two), you can feel some comfort that the price declines are over. But this does not mean sales prices will soon rise. Prices can stay flat for a long time before they start to rise again.

The National Association of Realtors publishes quarterly median home sales price reports by metropolitan area.

While NAR deals with median homes sales statistics for metro areas, which can be geographically far flung ~ you should stick to your local market comps and watch for quarterly and two-quarter stalls in sales price declines.

In diverse markets, compare housing types: single family home prices may not be declining while condo prices are.

For the really adventurous, check the Zillow Quarterly Home Reports (these contain automated value estimates for all homes tracked by Zillow, not just sold homes). These statistics are for metro areas too.

4. NAR's Pending Home Sales Index (PHSI)

Published monthly by NAR, the index measures the number of sales contracts signed for single-family homes, condos and co-ops, providing a preview of future actual home-sales. Pending home sales become existing-home sales one to two

continued

months later, though a share of deals will always fall apart somewhere between signing and closing.

In October, pending home sales have increased for the seventh straight month ~ the longest in the series of the index, which began in 2001.

5. Mortgage Applications Four-Week Moving Average

The Mortgage Bankers Association (MBA) provides weekly loan application data for mortgages for both house purchases and refinancing. In addition, the survey also indicates the mix between fixed rate and adjustable-rate mortgages. This is a useful but mostly underused survey.

6. HOI: Housing Opportunity Index

The National Association of Home Builders' HOI is based on the notion that until most folks can afford to buy homes in a market, houses will sit on the market, unsold. According to the index, an affordable house is one that can be bought with 28% or less of median family income, which translates to an HOI score of 72 or better.

NAHB publishes a "national" HOI every quarter. The national HOI has rated above 72 for the first two quarters of 2009. It was below 72 throughout 2008. And nationally, it has never been above 72 for the 18 years it has been calculated.

The HOI tracks 220 metro areas.

7. Foreclosures: Rising or Falling?

This is a lagging indicator, since it can take six months or longer between mortgage loan default and foreclosure. So long as foreclosures are still rising, buyers can have their sweet pickings.

By the time foreclosures peak and begin declining, the real estate buying advantage may be starting to sour.

What market indicators have you found valuable in taking the pulse of your local market? ♦



SCORPIO

October 24



November 22

You are strong willed and energetic with an exceptionally high tolerance for hard work. No matter what the stakes or how difficult the obstacles, you never give up until you have seen a problem through. You are honest in all relationships and when it comes to those you love you are both loyal and possessive. You are noted for your faithfulness and honesty but what is perhaps most admired about you is your remarkable ability to concentrate. Although you have a tendency to become obstinate or headstrong at times, if you temper these characteristics with compassion they will enable you to become a skilled and fair leader. Scorpios are also artistically and musically inclined, with a sincere appreciation for the arts and literature.

SAGITTARIUS

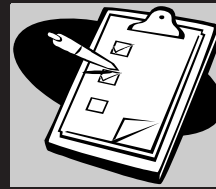
November 23



December 21

You are idealistic and hard-working with a reputation for seeing things through. In your dealings with others you are direct and honest, taking pains to keep communication amiable, as there is nothing you dislike more than a quarrel. You possess an intuitive mind which serves you well in intellectual pursuits and also in friendship. In both study and socialization, you are at all times aware of your goals and do not hesitate to take the most direct route. Because of their endless energy and determination, with the same amount of instruction, there are few things that Sagittarius born people cannot do. They are playwrights, directors and stars. The Sagittarius born make excellent friends because they are so dedicated and loyal. They tend to marry late in life. Their greatest love is freedom.

FALL CHECKLIST FOR A SAFER, WARMER HOME



10 Tasks
That Improve
Energy Efficiency
& Save Lives

High energy prices are taking their toll on just about everyone this year, so it's important to do whatever you can to create and maintain an energy-efficient home. Fall is the ideal time for weatherization projects, so this year's fall checklist is centered around what you can do to create a warmer home that has less impact on your wallet.

Check all insulation levels: Improving insulation levels can be a highly effective way of increasing your home's comfort and energy efficiency, so make it a point this fall to check the amount and condition of all visible insulation. This includes the attic, under floor, kneewalls, skylight shafts and ductwork. A call to your local utility company will tell you what levels are considered optimum for your area, and if repairs are needed and you don't want to undertake them yourself, you can also recommend qualified insulation and weatherization contractors.

Check and seal heating ducts: Crawling around in the attic or crawlspace isn't everyone's idea of a fun afternoon, but it's the only way to examine and repair your heating ducts. Check for gaps between ducts and fittings, and seal them with a quality metallic tape ~ not regular duct tape, which doesn't last. Also, check to be sure that all of the ducts are up off the ground and adequately supported.

Check weather-stripping: Gaps around doors and windows ~ no matter how small or seemingly insignificant ~ allow cold outside air to enter your home. The result is uncomfortable drafts and wasted energy. Closely examine each exterior door and window to see that the weather-stripping is doing its job. There should be no visible gaps, the weather-stripping should be clean and undamaged, and windows and doors should operate smoothly and close completely. If any repairs are necessary, you can find everything you need at your local hardware store or home center, or contact a qualified weatherization contractor or handyman.

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Fall Checklist, continued from previous page

Seal exterior penetrations: Weather-stripping is not the only culprit when it comes to air leaks. Spend a day working your way around the outside of the house with a caulking gun and a couple of tubes of high-quality, flexible caulking, and seal any gaps around window and door trim, plumbing and electrical penetrations, flashings and other openings.

Add outlet gaskets: Shut the power, remove switch and outlet plates, and add precut foam outlet gaskets, which are available from home centers, hardware stores and other retailers. Do the interior walls as well as the exterior walls, and don't forget exterior outlets as well. It's a small thing, but small things definitely add up.

Change furnace filters: Fall is always the perfect time to put in new furnace filters. It's another one of those simple and inexpensive tasks that can add to your home's efficiency and your family's comfort.

Clean and service fireplaces and woodstoves: Make sure that your gas, wood, and pelletburning fireplaces and stoves are clean and operating correctly. Check door gaskets, blower operation, flues and flue caps, thermostats and all other aspects of these important appliances. If you're not sure what to look for or how to do any cleaning or repairs, check with a qualified, licensed fireplace shop or chimney sweep.

Install a carbon monoxide detector: If you have any gas appliances in your home, there is always the possibility of carbon monoxide poisoning should any of them ever malfunction. This is a very real danger, especially as we close our homes up for the winter, so make it a point this fall to install a carbon monoxide detector. These lifesavers are inexpensive, easy to install, and available from most home centers and hardware stores.

Check smoke detectors: Same warning every fall - check to see that your smoke detectors are operating correctly, and install fresh batteries. If you have an older home with a limited number of detectors, install additional ones outside each bedroom, and make sure that you have at least one on each floor of the house.

Sudoku Puzzle

Fill in the grid so that every row, every column, and every 3x3 box contains the numbers 1 through 9. There is only one solution to the puzzle.

	1							
9			7		3			5
5		3		4	1	6	7	
			3	5		7	6	
		9	6			8		3
							9	
	9		8		6		1	
6		1			7			
7	8	2	1	9			4	

For the solution to this puzzle - visit pnwt.com

I've missed more than 9,000 shots in my career. I've lost almost 300 games. Twenty-six times, I've been trusted to make the game winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed.

-Michael Jordan



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8	1	7	5	6	2	9	3	4
9	6	4	7	8	3	1	2	5
5	2	3	9	4	1	6	7	8
1	4	8	3	5	9	7	6	2
2	7	9	6	1	4	8	5	3
3	5	6	2	7	8	4	9	1
4	9	5	8	3	6	2	1	7
6	3	1	4	2	7	5	8	9
7	8	2	1	9	5	3	4	6

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